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09/925,073	08/08/2001	Jeffrey Marc Newman	576.1002	3089

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EXAMINER

GLASS, RUSSELL S

ART UNIT PAPER NUMBER

3626

DATE MAILED: 11/07/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/925,073

Applicant(s)

NEWMAN, JEFFREY MARC

Examiner

Russell S. Glass

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 08 August 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Claim Objections***

1. Claim 1 is objected to because of the following informalities: step 1a is not phrased appropriately as an action in completing the method. Examiner suggests rephrasing to include a paying step. Appropriate correction is required.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claims 1-25 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In particular, the preamble of claim 1 recites a method of underwriting. However, the body of the claim 1 and dependant claims 2-26 are directed to the specific terms of an insurance policy. Examiner fails to see any method steps for assessing a risk and calculating a premium based upon the risk assessed.
3. Claims 1-25 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: assessing a risk and calculating a premium based upon the risk assessed. Without the addition of an underwriting step, examiner must assume that anyone who paid a premium would automatically be issued a policy.

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. Claims 1-25 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. In particular, claim 1b states that the policy will issue "if a disabling event befalls a covered insured". The specification fails to describe how a result can be assured; therefore, the invention cannot operate as intended without undue experimentation.

5. Claims 18 and 19 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. In particular, claims 18 and 19 are directed to a second monetary stipend that is not covered in the specification. If the applicant is referring to the Rehabilitative Benefit on page 7 of the specification, it is suggested that the claims be amended to accurately reflect the disclosure in the specification.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

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Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 1-25 are rejected under 35 U.S.C. 101 because the method as a whole fails to result in a practical application.

Under the guidance of recent case law, the requirements of 35 U.S.C. 101 are met when "the practical application of the abstract idea produces a useful, concrete, and tangible result" (*State Street Bank & Trust Co. vs. Signature Financial Group, Inc.*, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998)). Insurance coverage is useful, however, the claimed method is not tangible because the result is the abstract legal concept of insurance coverage. It is unclear in what medium the resulting abstract concept of insurance coverage is to be used. The method is not concrete because it involves contingencies that are not certain to occur. The required disabling event is not certain to occur, therefore the result of the method is not assured.

In light of the above, it is respectfully submitted that the claimed invention, although useful, does not have a tangible and concrete result, and thus fails to recite the practical application of an abstract idea to satisfy the requirements of 35 U.S.C. 101.

7. As per claim 26, the claimed invention is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Under the statute, the claimed invention must fall into one of the four recognized statutory classes of invention, namely, a process (or method); a machine (or system); an article of manufacture; or a composition of matter.

(A) First, claim 26 appears to be directed toward an insurance policy. However, it is unclear as to which recognized statutory class of invention the "insurance policy" of

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claim 26 is directed. In particular, an "insurance policy" is not a process or method, as it lacks a series of steps. An "insurance policy" is not a machine or system, as there is no specific recitation of machine or system components. An "insurance policy" is not recognized as a composition of matter. An "insurance policy" per se is merely a collection of the financial, legal, or administrative rights and obligations of the parties involved. Since these rights and obligations are typically fixed in some tangible medium (e.g., paper), a possible category for a "policy" may be "article of manufacture". However, if the claimed insurance policy fails to qualify as an "article of manufacture", the insurance policy is merely a collection of data, which is not suitable for patent protection under 35 U.S.C. 101.

(B) Secondly, under the guidance of recent case law, the requirements of 35 U.S.C. 101 are met when "the practical application of the abstract idea produces a useful, concrete, and tangible result" (*State Street Bank & Trust Co. vs. Signature Financial Group, Inc.*, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998)). In general, an insurance policy is conceptually useful for securing funds needed after the loss of (or damage to) properties and/or other casualties. However, the claim, as presently recited, does not appear to have a concrete result. In particular, it is unclear whether the claimed insurance policy can be repeatable and predictable (and thus, concrete), since it appears that benefits are contingent upon a disabling event not certain to occur. Simply stated, when the disabling event fails to occur, what concrete result is achieved by the invention?

Further, the policy, in and of itself, as recited in claim 26 (as an apparent “article of manufacture”) fails to have a tangible and concrete result. Claim 26 merely recites non-functional descriptive material, as no recitation of executable code or a data structure is provided. Further, the policy is not explicitly recited as being embodied on any medium. Insurance policies, data structures, or computer programs, in general, that are not claimed as embodied in computer-readable are descriptive material, per se, and are not statutory because they are not capable of causing functional change in a computer. Thus, the “insurance policy” of claims 26 is not tangibly embodied since it is drawn to the financial, legal, or administrative rights and obligations per se. As noted above, it is unclear whether a “insurance policy” can be repeatable and predictable (and thus, concrete), since it appears that the disabling event is not certain to occur.

In light of the above, it is respectfully submitted that the claimed invention, although useful, does not have a tangible and concrete result, and thus fails to recite the practical application of an abstract idea to satisfy the requirements of 35 U.S.C. 101, even if, assuming *arguendo*, it is determined to qualify as a proper statutory class of invention.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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8. Claims 1-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over HARRIET E. JONES AND DANI L. LONG, PRINCIPLES OF INSURANCE: LIFE, HEALTH, AND ANNUITIES (2<sup>nd</sup> ed. 1999) ("POI").

9. As per claim 1, Principles of Insurance suggests a method of underwriting a children's insurance policy, comprising:

- (a) at least one payment of a premium made on behalf of a covered insured to an underwriter (POI, p. 154-57);
- (b) the underwriter issuing an insurance policy, wherein if a disabling event befalls a covered insured, the underwriter shall issue at least one benefit to the covered insured, (POI, p. 154-57).

POI discloses a Spouse and Children's Insurance Rider and a Children's Insurance Rider. POI also discloses a Dread Disease Benefit that operates as part of a life insurance policy to pay the insured if an insured event befalls a covered insured. The insured events covered by the Dread Disease Benefit are considered equivalent to disabling events.

It would be obvious to one of ordinary skill in the art to incorporate the Dread Disease Benefit into the Children's Insurance Rider. The motivation would be to provide dread disease and/or disabling event protection to children.

10. As per claim 2, POI discloses the method of claim 1 wherein the covered insured is a minor, (POI, p. 157, ¶ 2).

11. As per claim 3, POI discloses the method of claim 1 wherein the covered insured becoming functionally disabled constitutes a disabling event, (POI, p. 155, ¶ 3) (some



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long-term care riders may require actual proven inability to perform activities of daily living).

12. As per claim 4, POI discloses the method of claim 1 wherein the covered insured becoming presumptively disabled constitutes a disabling event, (POI, p. 364).

13. As per claim 5, POI discloses the method of claim 1 wherein the benefit to the covered insured includes a monetary stipend, if a disability befalls the covered insured, (POI, p. 155, ¶ 4).

14. As per claim 6, POI discloses the method of claim 1 wherein the benefit to the covered insured includes a monetary stipend for the cost of nursing home care for the covered insured, if a disability of the covered insured necessitates such care, (POI, p. 155, ¶ 1).

15. As per claim 7, POI discloses the method of claim 1 wherein the benefit to the covered insured includes a monetary stipend for the cost of home health care for the covered insured, if a disability of the covered insured necessitates such care, (POI, p. 155, ¶ 1).

16. As per claim 8, POI discloses the method of claim 7 wherein the monetary stipend is paid for a predetermined period of time, (POI, p. 155, ¶ 4).

17. As per claim 9, POI suggests the method of claim 1 wherein the benefit to the covered insured includes a monetary stipend for the cost of home tutoring of the covered insured, if a disability of the covered insured necessitates such care, (POI, p. 351, Fig. 18-2).

POI discloses that typical long-term care insurance provides home health care and care coordination/care management services.

It would be obvious to one of ordinary skill in the art to provide home tutoring services, as a function of care coordination/care management services, to an insured child under a children's insurance policy. The motivation would be to meet local mandatory school attendance requirements.

18. As per claim 10, POI discloses the method of claim 1 wherein the benefit to the covered insured includes a monetary stipend for the cost of training an individual to act as a caregiver for the covered insured in the covered insured's home, (POI, p. 351, Fig. 18-2).

19. As per claim 11, POI discloses the method of claim 10 wherein the monetary stipend may not exceed a predetermined amount, (POI, p. 155, ¶ 4).

20. As per claim 12, POI discloses the method of claim 1 wherein the benefit to the covered insured includes a monetary stipend for the cost of supportive equipment for the covered insured, if a disability of the covered insured necessitates such equipment, (POI, p. 351, Fig. 18-2).

21. As per claim 13, POI discloses the method of claim 12 wherein the monetary stipend may not exceed a predetermined amount, (POI, p. 155, ¶ 4).

22. As per claim 14, POI discloses the method of claim 1 wherein the benefit to the covered insured includes a monetary stipend for the cost of a major disabling event, is such a disabling event befalls the covered insured, (POI, p. 154) (Dread Disease Benefits are considered to be equivalent to coverage for a major disabling event).

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23. As per claim 15, POI discloses the method of claim 14 wherein the covered insured having a major organ transplant constitutes a major disabling event, (POI, p. 154).

24. As per claim 16, POI discloses the method of claim 14 wherein the monetary stipend may not exceed a predetermined amount, (POI, p. 155, ¶ 4).

25. As per claim 17, POI discloses the method of claim 14 wherein the monetary stipend may only be paid to the covered insured one time, (POI, p. 154)(Dread Disease Benefit may be paid as a lump sum payment).

26. As per claim 18, POI suggests the method of claim 1 wherein the benefit to the covered insured includes a second monetary stipend if the covered insured has received the monthly stipend for a disability having befallen the covered insured, if the covered insured returns to school, (POI, p. 367-68) (partial disability payments are considered to be equivalent to the second monetary stipend).

27. As per claim 19, POI discloses the method of claim 1 wherein the benefit to the covered insured includes a second monetary stipend if the covered insured has received the monthly stipend for a disability having befallen the covered insured, if the covered insured returns to employment, (POI, p. 367-68) (partial disability payments are considered to be equivalent to the second monetary stipend).

28. As per claim 20, POI discloses the method of claim 1 wherein the underwriter may not cancel the policy while the at least one premium payment is renewed on behalf of the covered insured, (POI; p. 464 see "premium"; p. 466 see "renewal premium").

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29. As per claim 21, POI discloses the method of claim 1 wherein the policy is available to a covered insured between the ages of 6 months and 18 years, (POI, p. 156, ¶ 5-6) (providing for an age range for covered insured).

30. As per claim 22, POI discloses the method of claim 21 wherein the policy may be extended until the covered insured reaches the age of 65, (POI, p. 156-57) (conversion privileges allowing conversion of child insurance to a life-insurance policy are considered to be equivalent to a policy extension).

31. As per claim 23, POI discloses the method of claim 1 wherein a lifetime elimination period must be satisfied before the underwriter must issue a benefit to the covered insured, (POI, p. 365).

32. As per claim 24, POI discloses the method of claim 1 wherein the underwriter may reduce benefits by the amount of any social insurance benefits paid to the covered insured, (POI, p. 351-53) (Medicare's secondary payor function reduces the total benefits available from Medicare by the amount paid by other insurance means).

33. As per claim 25, POI discloses the method of claim 1 wherein the underwriter shall not pay benefits if the covered insured has a pre-existing condition that is not disclosed to the underwriter at the policy is underwritten, (POI, p. 464, see "pre-existing condition").

34. As per claim 26, POI discloses a children's insurance policy, the payment of at least a benefit by an underwriter to a covered insured when a disabling event befalls a covered insured and at least one payment of a premium is made on behalf of the covered insured, (POI, p. 154-57).

**Conclusion**


The prior art made of record and not relied upon is considered pertinent to applicant's disclosure are as follows: Kern, (U.S. 6,604,080; Buchanan et al., (U.S. 6,584,446); Sullivan, (U.S. 6,386,444); Underwood et al., (U.S. 5,873,066).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Russell S. Glass whose telephone number is 571-272-3132. The examiner can normally be reached on M-F 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on 571-272-6776. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

RSG  
10/19/05

  
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